

# BROWNFIELD REDEVELOPMENT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## PURPOSE

Provides financial incentives for the redevelopment commercial/industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years.

## AUTHORIZATION

Sections 447.700 to 447.718, RSMo

## ELIGIBLE AREAS

Statewide.

## ELIGIBLE APPLICANTS

- ✓ The applicant cannot be a party who intentionally or negligently caused the release or potential release of hazardous substances at the project.
- ✓ If the property is not owned by a public entity, the city or county must endorse the project.
- ✓ The project must be accepted into the “Voluntary Cleanup Program” of the MO Department of Natural Resources.
- ✓ The project must be projected by DED to result in the creation of at least ten new jobs or the retention of 25 jobs by a private commercial operation.

## HOW THE PROGRAM WORKS

The program authorizes several types of financial assistance for eligible projects:

- ✓ **Remediation Tax Credits**  
DED may issue tax credits for up to 100% of the cost of remediating the project property. DED will issue 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by DNR.

- ✓ **Demolition Tax Credits**

DED may issue tax credits for up to 100% of the cost of non-remediation demolition costs. The demolition must be part of a city (or county) and state approved redevelopment plan.

- ✓ **Jobs and Investment Tax Benefits**

Businesses locating at the project that create new jobs to the state may receive (for up to ten years) tax credits in the amount of \$500 to \$1,300 per year for each new job created; 2% of new capital investment per year; and a 50% income exemption. To be eligible to receive these benefits, the city or county must provide at least 50% real property tax abatement for ten to 25 years.

## ELIGIBLE USE OF TAX CREDITS

The tax credits can be applied to:

- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch. 147 – Corporate franchise tax
- ✓ Ch. 148 –
  - ✓ Bank Tax
  - ✓ Insurance Premium Tax
  - ✓ Other Financial Institution Tax

The remediation tax credit’s special attributes:

- ✓ Carryforward 20 years
- ✓ Sellable or transferable

The demolition tax credit’s special attributes:

- ✓ Carryforward 20 years

The jobs and investment tax credit has no special attributes. It must be applied to tax liability for the year it was earned.

## FUNDING LIMITS

The total state costs of the project tax credits must be less than the projected state economic impact of the project, as determined by DED.

The amount of remediation and demolition tax credits issued must be the least amount necessary to cause the project to occur.

## **APPLICATION PROCEDURE**

An applicant must submit an application to DED for determination of eligibility and requests for remediation tax credits, Brownfield tax benefits, and/or demolition tax credits.

An application must also be submitted to the Department of Natural Resources (DNR) for participation in the “Voluntary Cleanup Program”. Acceptance into this program is a requirement of the Brownfield Redevelopment Program.

Remediation that is performed prior to receipt of a written authorization for remediation tax credits from DED will not be eligible for tax credits and may jeopardize the project’s overall eligibility for the program.

Applications may be submitted year-round. Each application is reviewed on a case-by-case basis.

## **CONTACT**



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## **ADDITIONAL RESOURCES**

Go to the department’s home page at [www.missouridevelopment.org](http://www.missouridevelopment.org) to obtain guidelines and forms for the Brownfield Redevelopment Program as well as a wealth of information regarding Missouri’s many other economic development programs and policies.